system, to promote efficiency, protect the interests of the depositors and prevent the misuse of banking system RBS will help Banks in identifying deficiencies in systems and controls and to find out appropriate solutions.

Prompt Corrective Action (PCA) is mechanism based on a pre-determined rule-based structured early intevention machanism. PCA is intended to enhance the effectiveness of the existing supervisory frame-work. It has a schedule of corrective action based on three important parameters *i.e.* CRAR, net Non-Performing Assets and Return on Assets, representing capital adequacy, asset quality and profitability respectively. Certain trigger points have been determined under these parameters and for every trigger point, a set of structured and discretionary actions has been proposed, which are designed to pre-empt any deterioration in the soundness of banks.

(c) Reserve Bank of India (RBI) has developed a detailed risk profile template for compilation of risk profiles of commercial banks under RBS. The commercial banks have also been advised by RBI to undertake a self-assessment of their own risk profiles. A tailor-made supervisory programme will be prepared for each bank based on its risk profile.

Cashless hospitalisation of mediclaim policy holders

2760. SHRI VIJAY J. DARDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that State-owned insurance companies plan cashless hospitalisation to the holders of mediclaim policies;

(b) if so, whether this facility will be applicable to all the mediclaim policy holders or only some selected new categories will get this benefit; and

(c) whether the insurance companies will evolve modalities to give this benefit to all policy holders; if so, what is the time-frame?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) The facility applies to new policy holders from 1st October, 2002 while for existing policy holders, the facility will be available from the date of renewal of policy.